

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on March 6, 2003 at 8:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Penny Morgan (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Alberta Strachan, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing & Date Posted: SB 26 (2/27/03); SB 36 (2/27/03);  
SB 40 (2/27/03); SB 51 (2/27/03)  
Executive Action: SB 51 (Be Concurred In); SB 40 (Be  
Concurred In)

HEARING ON SB 26

**Sponsor:** SEN. JEFF MANGAN, SD 23, Great Falls

**Opening Statement by Sponsor:**

**SEN. MANGAN** said that this bill would generally revise title loan laws. It also clarified the definition of "Financial Institutions" and established a special revenue account under the Montana Title Loan Act. This bill defines "Title Loan" and creates a civil penalty for certain actions by title lenders, and allowed title lenders to impose a service charge for insufficient funds checks.

***{Tape: 1; Side: A; Approx. Time Counter: 10 - 56}***

**Proponents' Testimony:**

**Chris Olson, Banking & Financial Institutions Division, Department of Administration**, said he has proposed amendments for this bill. He also presented testimony from Annie M. Goodwin, Commissioner, Banking & Financial Institutions Division, Department of Administration.

**EXHIBIT (buh47a01)**

***{Tape: 1; Side: A; Approx. Time Counter: 56 - 84}***

**John Cadby, Montana Bankers Association**, said they wish to go on record as a proponent.

***{Tape: 1; Side: A; Approx. Time Counter: 84 - 89}***

**Chris Gallus, Staples Law Firm**, said he was a proponent of the bill.

***{Tape: 1; Side: A; Approx. Time Counter: 89 - 92}***

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MORGAN** asked Mr. Olson about the special revenue account and the outcome of this account as to its destination. **Mr. Olson** said the money in the special account would be used to pay the costs of licensing, examination and enforcement programs. **REP. MORGAN** then asked if the license fees go into a special account. **Mr. Olson** stated that currently it is going into the general fund. It amounts to \$32,000.

***{Tape: 1; Side: A; Approx. Time Counter: 92 - 122}***

**REP. HAWK** asked Mr. Olson about lien fees. **Mr. Olson** said total loans are written on 30 day terms.

*{Tape: 1; Side: A; Approx. Time Counter: 122 - 187}*

**Closing by Sponsor:**

The sponsor closed.

*{Tape: 1; Side: A; Approx. Time Counter: 187 - 198}*

**HEARING ON SB 51**

**Sponsor:** SEN. JOHN BOHLINGER, SD 7, Billings

**Opening Statement by Sponsor:**

**SEN. BOHLINGER** said that this bill would authorize the Board of Housing to increase the total amount of its outstanding notes and bonds from \$975 million to \$1.5 billion, and provide for semiannual installment payments on serial bonds.

*{Tape: 1; Side: A; Approx. Time Counter: 198 - 280}*

**Proponents' Testimony:**

**Bob Thomas, Chairman, Board of Housing, Department of Commerce,** said over 36,000 people have benefitted from this program. The interest rate to homeowners is lower than they would pay for rent.

*{Tape: 1; Side: A; Approx. Time Counter: 280 - 383}*

**Bruce Brensdal, Executive Director, Board of Housing, Department of Commerce,** said their Board is in partnership with all of the banks and mortgage companies who are the companies that originate the loans. They also sell their bonds to the citizens of the State. They are helping many people in Montana.

*{Tape: 1; Side: A; Approx. Time Counter: 383 - 419}*

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. BOOKOUT-REINICKE** asked Mr. Thomas when the last time was that the bond limit was increased. **Mr. Thomas** said it occurred in 1995.

*{Tape: 1; Side: A; Approx. Time Counter: 419 - 511}*

Closing by Sponsor:

REP. LAWSON closed for SEN. BOHLINGER.

*{Tape: 1; Side: B; Approx. Time Counter: 14 - 15}*

HEARING ON SB 40

Sponsor: SEN. DALE MAHLUM, SD 35, Missoula

Opening Statement by Sponsor:

SEN. MAHLUM said that this bill provided for the coordination of the filing, processing, and granting of alcoholic beverage and gambling license applications. It also allows the Department of Revenue to contract with the Department of Justice for the receipt and processing of alcoholic beverage license applications and administering their investigative procedures. This bill would require alcoholic beverage and gambling license applicants to submit fingerprints for purposes of a background investigation, and provide additional grounds for tolling the time period within which an alcoholic beverage license application determination must be made.

*{Tape: 1; Side: B; Approx. Time Counter: 15 - 58}*

Proponents' Testimony:

Neil Peterson, Department of Revenue, provided written testimony.

**EXHIBIT** (buh47a02)

*{Tape: 1; Side: B; Approx. Time Counter: 58 - 147}*

Gene Huntington, Administrator, Gambling Control Division, explained the changes in the bill.

*{Tape: 1; Side: B; Approx. Time Counter: 147 - 217}*

Rich Miller, Executive Director, Gaming Industry Association, said this bill has been in the process since April. There has been a market change in the ability to transfer licenses.

*{Tape: 1; Side: B; Approx. Time Counter: 217 - 235}*

Chris Gallus, Attorney at Law, Montana Tavern Association, said they support the bill and the streamlining.

*{Tape: 1; Side: B; Approx. Time Counter: 235 - 243}*

Opponents' Testimony: None

Informational Testimony: None

**Questions from Committee Members and Responses:**

**REP. BOOKOUT-REINICKE** asked Mr. Peterson about fingerprinting. **Mr. Peterson** said the process of getting fingerprints will be done through the application process. A specific card would be sent by the Department of Revenue that contains a code. The card would be processed through any law enforcement agency.  
{Tape: 1; Side: B; Approx. Time Counter: 243 - 290}

**REP. MENDENHALL** questioned the consolidation between departments. **Mr. Peterson** affirmed this and he stated it would prevent duplication of processes.  
{Tape: 1; Side: B; Approx. Time Counter: 290 - 339}

**REP. MENDENHALL** asked Mr. Huntington about the fingerprinting of new employees. **Mr. Huntington** stated it would take the same amount of time.  
{Tape: 1; Side: B; Approx. Time Counter: 339 - 445}

**Closing By Sponsor:**

The sponsor closed.  
{Tape: 1; Side: B; Approx. Time Counter: 445 - Tape: 2; Side: A; Approx. Time Counter: 13}

**HEARING ON SB 36**

**Sponsor:** REP. DUANE GRIMES, SD 20, Clancy

**Opening Statement by Sponsor:**

**REP. GRIMES** said this bill required a district court to require a water commissioner, upon appointment, to obtain workers' compensation insurance. It also clarified that the owners and users of distributed water, including permittees and certificate holders, are responsible for paying a proportionate share of workers' compensation insurance purchased by a water commissioner. It also specifies that a water commissioner appointed by a district court is a sole proprietor and is not an employee of the judicial branch of local government.  
{Tape: 2; Side: A; Approx. Time Counter: 14 - 47}

**Proponents' Testimony:**

**Beth McLaughlin, Supreme Court,** said this bill will clarify an issue discovered during the State Assumption of District Courts last year. District Court judges appoint water commissioners

when a group of water users request they be appointed. The water commissioners oversee the allocation of water in a particular drainage or area. The water users pay the water commissioners generally a stipend and travel expenses. The water commissioners are usually on duty from May through September. The 1984 Attorney General's opinion required the district courts provide workers' compensation coverage for water commissioners. The opinion also stated the water commissioners were employees of the district courts. Prior to the assumption, the counties in some areas did cover the compensation. Worker's compensation did need to be provided because the Attorney General's opinion had never been challenged in court and had not been changed in Statute. These commissioners are not judicial branch employees, they are not volunteers, and their policy only covers employees and volunteers. The State Fund did allow their coverage just for this season. The Supreme Court does not have the funding to bring these employees under coverage. This bill will resolve the situation.

***{Tape: 2; Side: A; Approx. Time Counter: 47 - 103}***

**Harold Blattie, Montana Association of Counties**, said they support the bill.

***{Tape: 2; Side: A; Approx. Time Counter: 103 - 117}***

**Nancy Butler, Montana State Fund**, said they support this bill because it adds some clarity to the status of these workers. In addition, the State Fund provides an option for them to purchase their coverage as sole providers.

***{Tape: 2; Side: A; Approx. Time Counter: 117 - 130}***

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**CHAIRMAN McKENNEY** asked Ms. McLaughlin why there is a limitation on a sole proprietorship. **Ms. McLaughlin** said all of the water commissioners are single individuals. They are not operating as anything other than a sole proprietor.

***{Tape: 2; Side: A; Approx. Time Counter: 130 - 165}***

**Closing by Sponsor:**

The sponsor closed.

***{Tape: 2; Side: A; Approx. Time Counter: 165 - 249}***

EXECUTIVE ACTION ON SB 51

Motion/Vote: REP. BOOKOUT-REINICKE moved that SB 51 BE CONCURRED IN. Motion carried 18-0. REP. LAWSON will carry the bill on the House Floor.

EXECUTIVE ACTION ON SB 40

Motion/Vote: REP. MORGAN moved that SB 40 BE CONCURRED IN. Motion carried 18-0. REP. BERGREN will carry the bill on the House Floor.

**ADJOURNMENT**

Adjournment: 9:35 A.M.

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REP. JOE MCKENNEY, Chairman

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ALBERTA STRACHAN, Secretary

JM/AS

**EXHIBIT** (buh47aad)